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December 14, 2005

AGENDA ITEM 15-B

TO: MEMBERS OF THE BOARD OF ADMINISTRATION

- I. SUBJECT:** Memorandum of Understanding of the California Attorneys, Administrative Law Judges and Hearing Officers in State Employment, Bargaining Unit 2
- II. PROGRAM:** Legislation
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

This is an information item to provide the Board with an overview of the Memorandum of Understanding (MOU) of the California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE), Bargaining Unit 2.

At the November 16, 2005 Board meeting, the Board requested a legal opinion from the CalPERS Legal Office regarding various issues in the Memorandum of Understanding. These issues will be addressed in the legal opinion that will be provided to the Board under separate cover.

Background

CASE members have been working without a contract since July 2, 2003.

A tentative agreement was reached between CASE and the Administration with approximately 74 percent of the membership votes cast to approve the changes to the MOU. This proposed new contract would be effective from July 1, 2005 through June 30, 2007. If the MOU and the necessary statutory amendments are approved by the Legislature and signed by the Governor, the following changes would be made:

Proposed Changes

Salaries:

- A. Effective July 1, 2005, all Unit 2 classifications will receive a 2.5% cost of living adjustment (COLA).

- B. Effective July 1, 2006, all Unit 2 classifications will receive a cost of living adjustment (COLA) of between 2% and 4% based on the Western Urban Consumer Price Index.

Salary Adjustments Attorneys III/IV:

- A. Attorney classifications at the III/IV levels shall have the maximum of the salary range increased by five percent (5 %) effective July 1, 2006. Employees who have been at the top step of their salary range for twelve (12) months or more shall move to the new maximum salary effective July 1, 2006.
- B. Attorney classifications at the III/IV levels shall have the minimum of the salary range increased by five percent (5 %) effective July 1, 2006. Attorney IIIs in the bottom step will receive the 5% increase on July 1, 2006, regardless of their time in grade.

Attorney III Classifications

Real Estate Counsel III (Specialist)

Deputy Attorney General III

Deputy State Public Defender

Deputy Attorney, III CalTrans

Staff Counsel III (Specialist)

Public Utilities Counsel III, PUC

Senior Fair Employment and Housing
Counsel (Specialist)

Industrial Relations Counsel III
(Specialist)

Senior Corporations Counsel
(Specialist), FPPC

Senior Commission Counsel
(Specialist), FPPC

Senior Board Counsel, ALRB

Tax Counsel III (Specialist)

Attorney IV Classifications

Public Utilities Counsel IV, PUC

Deputy Attorney General IV

Sr. Deputy State Public Defender
(Range A Only)

Staff Counsel IV

Deputy Attorney IV, CalTrans

Industrial Relations Counsel IV

Tax Counsel IV, Franchise Tax
Board

Starting Salaries:

Effective July 1, 2005, Range A of the following classes shall be changed to the rate of \$4410:

Real Estate Counsel I
Deputy Attorney General
Staff Counsel
Deputy Attorney, CalTrans
Legal Counsel
Fair Employment and Housing Counsel
Fair Political Practices Commission Counsel
Fair Political Practices Commission Counsel-Enforcement
Corporations Counsel
Board Counsel I, ALRB
Tax Counsel

Holiday:

Upon the agreement of all bargaining units, the CASE agrees to the elimination of one holiday, February 12.

Consolidated Benefits (CoBen):

Effective January 1, 2006, through the life of the MOU, the State agrees to pay the following contribution for consolidated benefits allowance amounts:

- 1 party: increase from \$266/mo to \$365/mo
- 2 party: increase from \$515/mo to \$696/mo
- 3 party: increase from \$679/mo to \$906/mo

Retirement Contributions for Miscellaneous and Safety Members:

- A. CASE and the State agree to increase the employee's retirement contribution rate effective with the beginning of the July 2006 pay period:
 - 1. To six percent (6 %) of compensation for all individuals in the First Tier Retirement formula who are subject to Social Security Coverage and for individuals subject to the Alternate Retirement Program;
 - 2. To seven percent (7 %) of compensation for individuals who are not subject to Social Security coverage.
- B. The State and CASE agree that retirement benefits will be calculated based on a three-year average final compensation for new employees hired on or after July 1, 2006.

Voluntary CalPERS Opt-Out:

Effective July 1, 2006, State miscellaneous/industrial employees may on a voluntary and prospective basis, elect to irrevocably opt out of the CalPERS Defined Benefit program.

- Miscellaneous employees that are members of the First Tier Plan that opt out will receive one-half the employer's normal contribution rate, adjusted annually, as a salary stipend.
- Miscellaneous employees that are members of the Second Tier Plan will receive one-half the employer's normal contribution rate, adjusted annually as a salary stipend.
- Industrial employees that are members of the First Tier Plan that opt out will receive one-half the employer's normal contribution rate, adjusted annually, as a salary stipend.

Raising Attorney III Caps:

Any department with Senior or Attorney III Level Classifications may allocate up to 65% of its attorneys to the Senior or III salary level classification.

Elimination of Attorney III Caps at All Agencies with At Least One Attorney IV Position:

If DPA authorizes a department a position on an exception basis to the Attorney IV level such allocation allows the department to allocate additional Attorney positions at the Senior or Attorney III level in excess of the 65% cap.

Judicial Clerkship:

The State and CASE agree to amend specifications for attorney classes that will allow service as a judicial clerk for a federal court, California state court, or another State's appellate court of last resort to constitute experience in the practice of law which was gained after receipt of a juris doctor or equivalent degree.

Classification Studies:

The State and CASE agree to meet to discuss the appropriateness of a classification study for the following classes:

Deputy Commissioner, Board of Prison Terms

Deputy Commissioner I/II

Workers' Compensation Judge

If more than one study is deemed appropriate, it will be conducted one at a time and in the order determined by CASE.

Industrial Relations Counsel (Deep Class):

DPA and DIR agree to prepare a classification proposal to revise the Industrial Relations Counsel Series. Specifically, the proposal shall serve to consolidate the classifications of Legal Counsel, Range A and B, IRC I and IRC II into a deep class title IRC with alternate range criteria and a probationary period of 12 months.

Contract Term:

The proposed MOU would be effective from July 1, 2005 to June 30, 2007.

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